



## **THE ABRAHAM LINCOLN NATIONAL AIRPORT A SUMMARY**

### **I. THE NEED TO EXPAND AVIATION CAPACITY**

- Since 1984, numerous Federal Aviation Administration (FAA) studies have concluded that Chicago needs to build a new airport to accommodate expanding air travel demand.
- Subsequent studies by the Illinois Department of Transportation (IDOT) concluded that the airport should be located south of the city.
- A bi-state (Illinois and Indiana) site study then concluded that the best site was in unincorporated eastern Will County between University Park and Peotone.
- Since 1999, the State has been buying land in the 4,200-acre inaugural footprint south of University Park. About half of the inaugural site has been purchased to date (all from willing sellers). [The State must use condemnation to acquire the rest.]

### **II. THE NEED TO EXPAND ECONOMIC GROWTH AND DEVELOPMENT -- A TALE OF TWO CITIES**

- For too long, the Chicago area has been split -- divided in two by both geography and opportunity.
- One Chicago -- the North Side and Northwest suburbs -- has been exploding in growth.
  - With O'Hare as its powerful economic magnet, jobs and investment have increased dramatically in the past few decades.
  - With three jobs for every one person in some communities, this Chicago boasts the best schools, the least crime and the lowest property tax rates.

- The other Chicago -- the South Side and south suburbs -- has been slumping in depression.
  - With no economic magnet, it has been unable to attract new investments or industries, except for incinerators, waste plants and subsidized housing.
  - With 60 people for every one job in some communities, this Chicago has struggled with under-funded schools, increased crime, high property tax rates and lengthy job commutes.

### **III. THE SOLUTION: THE ABRAHAM LINCOLN NATIONAL AIRPORT WILL ADDRESS THE AVIATION CRISIS AND UNITE THE CITY**

#### **1. THE TECHNICAL PLAN:**

- The Abraham Lincoln National Airport Commission (ALNAC) presented its airport layout master plan to IDOT in 2005. After reviewing several plans assembled by IDOT's team of engineers, IDOT selected ALNAC's layout plan as the State's "preferred alternative." ALNAC's airport features one 10,000-foot runway and a 5-gate terminal. It also contains a small cargo facility, air traffic control tower and parking.
- In April 2005, then-Gov. Blagojevich and IDOT sent ALNAC's plan to the FAA for final approval. Since that time, the State has all but stopped communicating with the FAA.
- The airport is market-driven, starting small and growing as demand grows through just-in-time expandability.

#### **2. THE FINANCIAL PLAN:**

- The airport will be financed and built by two of the world's premier airport builders -- LCOR and SNC-Lavalin -- using private capital and equity, posing no cost or risk to taxpayers. The inaugural airport will cost about \$400 million.
- This will be the first airport in the US specifically geared toward attracting low-cost carriers. This is possible as the airport will use "common use" gates that are owned by the airport commission -- not "dedicated" gates owned by the airlines, which is the standard in U.S. airports. Common use gates allow the airport to reduce overhead costs by 30 percent and maximize gate use for all carriers. The cheaper gates will attract low-cost carriers, which currently cannot get into or afford Chicago's market.

- ALNAC is also the only airport in Illinois that will offer revenue sharing with neighboring municipalities. Under ALNAC's financial plan, 75 percent of the airport's profits are paid to the Commission, which decides how to invest the money in projects both on and off the airport site.

### **3. THE PRIVATE DEVELOPMENT TEAM:**

- L-COR and SNC-Lavalin comprise the private side of the public-private partnership. Both companies are among the top airport builders in the world, according to industry experts. They usually compete with each other for jobs, but now they formed a joint venture and are working together.
- *L-COR* owns and operates New York JFK's International Terminal 4, which is the largest public-private airport project in US history. It is also currently under contract to update and expand Terminals 2 and 3 at JFK.
- *SNC-Lavalin* owns and operates airports in Paris, Vancouver, South America, Africa, Malta and several smaller airports throughout Canada.

### **4. THE GOVERNANCE STRUCTURE:**

- ALNAC was formed in 2003 under Illinois state laws, including the Illinois Municipal Code, the Illinois Aeronautics Act and the Illinois Intergovernmental Agreement Act. It has all the powers of a home-rule municipality, including the authority to design, finance, build, own and operate an airport.
- ALNAC is an open and inclusive agency that remains open to all "like-minded" home-rule municipalities in Southern Cook, Will and Kankakee counties. Each community need only adopt the Intergovernmental Agreement and they can become members of ALNAC.
- ALNAC's Board of Directors is comprised of 9 members – five appointed by the ALNAC member communities and four appointed by the governor. At least five of the members must reside in Will County, where the airport is located.

### **5. THE OBSTACLES AND OPPONENTS:**

- The airport has been strongly opposed by an array of powerful political and commercial forces that constitute and perpetuate Chicago's culture of cronyism and patronage -- the so-called "machine."

- When the unincorporated farming fields of Will County (outside Chicago's jurisdictional reach and control) were selected as the final airport site, Chicago officials who supported a new airport then reversed course and opposed it. They determined -- despite the overwhelming facts and data to the contrary -- that a new airport was unnecessary and useless as the airport's jobs, contracts, and concessions would not be another source to grease the machine and bilk taxpayers.
- The large, incumbent airline carriers -- particularly United and American -- also oppose the new airport, which would provide a gateway to Chicago for competitors, including low-cost carriers who now have little access to O'Hare (where United and American control a combined 88 percent of all flights).
- Many Will County officials, who claim to support the airport, have done little other than to stall and sabotage efforts to build it. Despite ALNAC's repeated overtures and appeals, Will County officials have refused to work constructively or cooperatively with the open and inclusive commission. Insisting on going their own way, Will County officials have produced nothing -- no plan, no financing and no developers -- other than pretensions and obstructions.
  - In 1997, at the request of then-U.S. Rep. Jerry Weller (R-IL), the FAA removed the third airport from the National Plan for Integrated Airport Systems, making it ineligible to receive federal funds.
  - In 2005, then-U.S. Rep. Jerry Weller passes a measure to undermine ALNAC's efforts, invalidating ALNAC's contract with its airport developers and putting the airport's staunchest opponents in charge of building it.
  - For the next two years, Will County Officials act predictably -- doing nothing to advance the airport's construction. In 2007, Rep. Jackson passes a measure to repeal the Weller amendment.
- In his 2005 State of the State Address, Governor Rod Blagojevich endorsed Rep. Jackson's plan and promised to break ground within two years. But, Blagojevich is sporadic, hesitant and halting, and even attempts to seize control of the ALNAC Board for political and patronage purposes. After ALNAC rebuffs the takeover attempt, the state cuts off talks with ALNAC and the FAA, stalling the project for two more years.

## 6. THE CURRENT STATUS:

- FAA is reviewing the ALNAC technical plan. (The FAA has already approved the site for the airport and approved the need for a new airport.) The review has been stalled for about three years due to stagnation in the former Blagojevich administration.
- ALNAC is hoping to work with IDOT to craft a long-term land lease so the private developers have access to state-owned land.

## **7. THE BENEFITS:**

- Airports are one of the largest jobs-generators in the world.
- Specifically, the Abraham Lincoln National Airport will:
  - Create 1,000 constructions jobs during the 30-month construction cycle.
  - Create 15,000 new permanent jobs on opening day – including jobs at the airport and in the private off-site businesses, such as cargo facility, overnight delivery, hotels, restaurants, service stations, service industry.
  - Ultimately will create more than 200,000 new jobs for the Chicago Southland Region.
  - Will generate billions of dollars in new economic activity in area that needs jobs.
  - Will attract new private investment.
  - Will attract business that will pay property taxes, and thus lessen burden on homeowners.
  - Many of the new jobs will include health care and retirement benefits.
  - Jobs will pay prevailing wage and use union labor.
  - Will decrease commute times for local residents, which are among the longest in the nation.
  - Will unite two Chicagos and bring about balance economic growth for the region.
  - Will preserve and assure Chicago's place as the world's pre-eminent aviation hub.

#### IV. A DEFINING MOMENT

- Americans are facing the worst economic crisis since the Great Depression.
- With new leadership in Springfield and in Washington, this is indeed the time to "act boldly and wisely -- to not only revive this economy, but to build a new foundation for lasting prosperity."
- After more than 20 years of debate and deliberations, now is the time to act and build the third airport.
- ALNAC has the only concrete, comprehensive, viable, vetted and financed plan to build a new airport through an innovative public-private partnership, which combines private experience and expertise with public oversight and accountability.
- The new airport will solve Chicago's aviation capacity crisis, create thousands of jobs in communities that desperately need them, generate billions for a state in economic turmoil and preserve Chicago's status as the world's transportation hub.

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